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DEPARTMENT OF THE ARMY

JUSTIFICATION OF ESTIMATES FOR FY 1990/FY 1991 BIENNIAL BUDGET

SUBMITTED TO CONGRESS

JANUARY 1989



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MISSILE PROCUREMENT, ARMY PROGRAMS

AIRCRAFT	MISSILES
AMMUNITION	OTHER
WEAPONS & TRACKED COMBAT VEHICLES	

89 2 3 105

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DEPARTMENT OF THE ARMY
MISSILE PROCUREMENT , ARMY

JUSTIFICATION OF ESTIMATES FOR FISCAL YEARS 1990/1991 BIENNIAL BUDGET

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MISSILE PROCUREMENT, ARMY

Section 1

Budget Appendix Extract

Appropriation Language

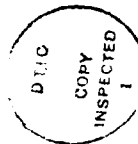
Program and Financing Schedule

Defense Dept. to Dept. of State

APPROPRIATION LANGUAGE

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefore; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefore, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes: \$2,907,900,000 to remain available for obligation until September 30, 1992.

Further, for the foregoing purposes, \$3,032,600,000, to become available for obligation on October 1, 1990 and to remain available for obligation until September 30, 1993. (10 U.S.C. 2353, 2361, 3013, 4531-32; Department of Defense Appropriations Act, 1989, as included in Public Laws 99-500 and 99-591, Section 101(c); additional authorizing legislation to be proposed).



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Justification	
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Missile Procurement, Army
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			
		1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles	1,893,034	2,157,075	2,459,252	2,701,260
00.0201	Modification of missiles	139,934	177,472	138,637	140,617
00.0301	Spares and repair parts	203,570	224,402	263,914	147,770
00.0401	Support equipment and facilities	31,735	33,059	46,097	42,953
00.9101	Total direct program	2,268,273	2,592,008	2,907,900	3,032,600
01.0101	Reimbursable program	428,432	566,600	281,600	281,600
10.0001	Total	2,696,705	3,158,608	3,189,500	3,314,200
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)	-391,774	-512,800	-243,700	-243,700
13.0001	Trust funds(-)	-32,568	-53,800	-37,900	-37,900
14.0001	Non-Federal sources(-)	-4,090			
17.0001	Recovery of prior year obligations				
	Unobligated balance available, start of year:				
21.4002	For completion of prior year budget plans	-94,900	-94,690		
21.4003	Available to finance new budget plans	-119,858			
21.4007	Reprogramming from/to prior year budget plans	45,792	94,690		
22.4001	Unobligated balance transferred to other accounts				
	Unobligated balance available, end of year:				
24.4002	For completion of prior year budget plans	94,690			
24.4003	Available to finance subsequent year budget plans	28,276			
25.0001	Unobligated balance lapsing				
39.0001	Budget authority	2,222,273	2,592,008	2,907,900	3,032,600
Budget authority:					
40.0001	Appropriation	2,332,237	2,602,800	2,907,900	3,032,600
40.0004	Reduction pursuant to P.L. 100-463		-792		
40.0017	Appropriation rescinded (unobligated balance)	-59,200			
41.0001	Transferred to other accounts(-)	-50,764	-10,000		
43.0001	Appropriation (adjusted)	2,222,273	2,592,008	2,907,900	3,032,600
Relation of obligations to outlays:					
71.0001	Obligations incurred, net				
72.4001	Obligated balance, start of year				
74.4001	Obligated balance, end of year				
77.0001	Adjustments in expired accounts				
78.0001	Adjustments in unexpired accounts				
90.0001	Outlays				

Missile Procurement, Army
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	21-2032-0-1-051	Obligations			
		1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles	1,977,594	1,916,969	2,421,118	2,656,162
00.0201	Modification of missiles	119,746	189,125	153,061	142,095
00.0301	Spares and repair parts	199,349	193,805	243,466	167,513
00.0401	Support equipment and facilities	31,113	39,161	43,521	42,850
00.9101	Total direct program	2,327,802	2,339,060	2,861,166	3,008,620
01.0101	Reimbursable program	385,144	692,870	281,600	281,600
10.0001	Total	2,712,946	3,031,930	3,142,766	3,290,220
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)	-393,539	-512,800	-243,700	-243,700
13.0001	Trust funds(-)	-13,537	-53,800	-37,900	-37,900
14.0001	Non-Federal sources(-)	-4,076			
17.0001	Recovery of prior year obligations	-134,255			
21.4002	Unobligated balance available, start of year:	-672,200	-653,077	-779,755	-826,489
21.4003	For completion of prior year budget plans	-94,900	-94,690		
21.4007	Available to finance new budget plans	45,792	94,690		
22.4001	Reprogramming from/to prior year budget plans	653,077	779,755	826,489	850,469
24.4002	Unobligated balance transferred to other accounts	94,690			
24.4003	Unobligated balance available, end of year:	28,276			
25.0001	For completion of prior year budget plans				
	Available to finance subsequent year budget plans				
	Unobligated balance lapsing				
39.0001	Budget authority	2,222,273	2,592,008	2,907,900	3,032,600
Budget authority:					
40.0001	Appropriation	2,332,237	2,602,800	2,907,900	3,032,600
40.0004	Reduction pursuant to P.L. 100-463		-792		
40.0017	Appropriation rescinded (unobligated balance)	-59,000			
41.0001	Transferred to other accounts(-)	-50,764	-10,000		
43.0001	Appropriation (adjusted)	2,222,273	2,592,008	2,907,900	3,032,600
Relation of obligations to outlays:					
71.0001	Obligations incurred, net	2,301,794	2,465,330	2,861,166	3,008,620
72.4001	Obligated balance, start of year	4,345,673	4,217,032	4,389,962	4,990,128
74.4001	Obligated balance, end of year	-4,217,032	-4,389,962	-4,990,128	-5,444,048
77.0001	Adjustments in expired accounts	-57,676			
78.0001	Adjustments in unexpired accounts	-134,255			
90.0001	Outlays	2,238,503	2,292,400	2,261,000	2,554,700

Missile Procurement, Army
Object Classification (in Thousands of dollars) SUMMARY

Identification code	21-2032-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Direct obligations:					
Other services:					
125.004		432,806	530,608	572,498	620,901
126.001	Other	919,114	785,390	1,184,839	1,190,563
131.001	Supplies and materials	975,882	1,023,062	1,103,829	1,197,156
	Equipment				
199.001	Total Direct obligations	2,327,802	2,339,060	2,861,166	3,008,620
Reimbursable obligations:					
Other services:					
225.004	Other	71,609	93,387	93,387	93,387
226.001	Supplies and materials	152,072	412,709	1,439	1,439
231.001	Equipment	161,463	186,774	186,774	186,774
299.001	Total Reimbursable obligations	385,144	692,870	281,600	281,600
999.901	Total obligations	2,712,946	3,031,930	3,142,766	3,290,220

Missile Procurement, Army

Budget Plan (amounts for procurement actions programed)

Missile Procurement, Army
Program and Financing (in thousands of dollars) FISCAL YEAR 1986

Identification code	21-2032-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles	231,049			
00.0201	Modification of missiles	23,913			
00.0301	Spares and repair parts	7,489			
00.0401	Support equipment and facilities	5,063			
00.9101	Total direct program	267,514			
01.0101	Reimbursable program	483			
10.0001	Total	267,997			
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)	717			
13.0001	Trust funds(-)	2,220			
17.0001	Recovery of prior year obligations	-93,524			
21.4002	Unobligated balance available, start of year:				
21.4003	For completion of prior year budget plans	-225,677			
21.4007	Available to finance new budget plans	-36,200			
22.4001	Reprogramming from/to prior year budget plans	31,092			
25.0001	Unobligated balance transferred to other accounts	28,276			
40.0017	Unobligated balance lapsing				
40.0017	Budget authority (Appropriation rescinded) (-25,100			

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987

		Budget Plan (amounts for PROCUREMENT actions programmed)		
Identification code		1988 actual	1989 est.	1991 est.
21-2032-0-1-051				
Program by activities:				
Direct program:				
00.0101	Other missiles			
00.0201	Modification of missiles			
00.0301	Spare and repair parts			
00.0401	Support equipment and facilities			
00.9101	Total direct program			
01.0101	Reimbursable program			
10.0001	Total			
Financing:				
Offsetting collections from:				
11.0001	Federal funds(-)			
13.0001	Trust funds(-)			
14.0001	Non-Federal sources(-)			
17.0001	Recovery of prior year obligations			
21.4002	Unobligated balance available, start of year:			
21.4003	For completion of prior year budget plans	-58,700	-81,490	
21.4007	Available to finance new budget plans	-71,590		
22.4001	Reprogramming from/to prior year budget plans	14,700	81,490	
22.4001	Unobligated balance transferred to other accounts			
24.4002	Unobligated balance available, end of year:			
24.4003	For completion of prior year budget plans	81,490		
24.4003	Available to finance subsequent year budget plans			
40.0017	Budget authority (Appropriation rescinded) (-34,100		

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987

Identification code	21-2032-0-1-051	Obligations		
		1988 actual	1989 est.	1990 est. 1991 est.
Program by activities:				
Direct program:				
00.0101	Other missiles	215,093	62,993	
00.0201	Modification of missiles	8,347	15,365	
00.0301	Spares and repair parts	5,361	2,396	
00.0401	Support equipment and facilities	7,789	1,478	
00.9101	Total direct program	236,590	82,232	
01.0101	Reimbursable program	14,678	67,821	
10.0001	Total	251,268	150,053	
Financing:				
Offsetting collections from:				
11.0001	Federal funds(-)	-2,482		
13.0001	Trust funds(-)	16,811		
14.0001	Non-Federal sources(-)	14		
17.0001	Recovery of prior year obligations	-40,731		
21.4002	Unobligated balance available, start of year:			
21.4003	For completion of prior year budget plans	-446,523	-150,053	
21.4007	Available to finance new budget plans	-58,700	-81,490	
22.4001	Reprogramming from/to prior year budget plans			
22.4001	Unobligated balance transferred to other accounts	14,700	81,490	
24.4002	Unobligated balance available, end of year:			
24.4003	For completion of prior year budget plans	150,053		
24.4003	Available to finance subsequent year budget plans	81,490		
40.0017	Budget authority (Appropriation rescinded) (-34,100		

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1988

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)		
		1988 actual	1989 est.	1990 est. 1991 est.
Program by activities:				
Direct program:				
00.0101	Other missiles	1,893,034		
00.0201	Modification of missiles	139,934		
00.0301	Spares and repair parts	203,570		
00.0401	Support equipment and facilities	31,735		
00.9101	Total direct program	2,268,273		
01.0101	Reimbursable program	428,432		
10.0001	Total	2,696,705		
Financing:				
Offsetting collections from:				
11.0001	Federal funds(-)	-391,774		
13.0001	Trust funds(-)	-32,568		
14.0001	Non-Federal sources(-)	-4,090		
21.4002	Unobligated balance available, start of year:			
21.4003	For completion of prior year budget plans			
22.4001	Available to finance new budget plans		-13,200	
22.4001	Unobligated balance transferred to other accounts		13,200	
24.4002	Unobligated balance available, end of year:			
24.4003	For completion of prior year budget plans			
24.4003	Available to finance subsequent year budget plans	13,200		
39.0001	Budget authority	2,281,473		
Budget authority:				
40.0001	Appropriation	2,332,237		
41.0001	Transferred to other accounts(-)	-50,764		
43.0001	Appropriation (adjusted)	2,281,473		

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1988

Identification code	21-2032-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles	1,531,452	146,919	214,663	
00.0201	Modification of missiles	87,486	29,539	22,909	
00.0301	Spares and repair parts	186,499	14,505	2,566	
00.0401	Support equipment and facilities	18,261	10,820	2,654	
00.9101	Total direct program.	1,823,698	201,793	242,792	
01.0101	Reimbursable program	369,983	58,449		
10.0001	Total	2,193,681	260,232	242,792	
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)	-391,774			
13.0001	Trust funds(-)	-32,568			
14.0001	Non-Federal sources(-)	-4,090			
21.4002	Unobligated balance available, start of year:				
21.4003	For completion of prior year budget plans				
22.4001	Available to finance new budget plans				
22.4001	Unobligated balance transferred to other accounts				
24.4002	Unobligated balance available, end of year:				
24.4003	For completion of prior year budget plans				
24.4003	Available to finance subsequent year budget plans				
39.0001	Budget authority	503,024	242,792		
		13,200			
		2,281,473			
Budget authority:					
40.0001	Appropriation	2,332,237			
41.0001	Transferred to other accounts(-)	-50,764			
43.0001	Appropriation (adjusted)	2,281,473			

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1989

Budget Plan (amounts for PROCUREMENT
actions programmed)

Identification code	21-2032-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles		2,157,075		
00.0201	Modification of missiles		177,472		
00.0301	Spares and repair parts		224,402		
00.0401	Support equipment and facilities		33,059		
00.9101	Total direct program		2,592,008		
01.0101	Reimbursable program		566,600		
10.0001	Total		3,158,608		
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)		-512,800		
13.0001	Trust funds(-)		-53,800		
21.4002	Unobligated balance available, start of year: For completion of prior year budget plans				
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans				
39.0001	Budget authority		2,592,008		
Budget authority:					
40.0001	Appropriation		2,602,800		
40.0004	Reduction pursuant to P.L. 100-463		-792		
41.0001	Transferred to other accounts(-)		-10,000		
43.0001	Appropriation (adjusted)		2,592,008		

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1989

Obligations

Identification code	21-2032-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles		1,707,057	203,759	246,259
00.0201	Modification of missiles		144,221	16,712	14,539
00.0301	Spares and repair parts		176,904	26,730	20,768
00.0401	Support equipment and facilities		26,863	3,488	2,708
00.9101	Total direct program		2,055,045	252,689	284,274
01.0101	Reimbursable program		566,600		
10.0001	Total		2,621,645	252,689	284,274
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)		-512,800		
13.0001	Trust funds(-)		-53,800		
21.4002	Unobligated balance available, start of year:			-536,963	-284,274
	For completion of prior year budget plans				
24.4002	Unobligated balance available, end of year:		536,963	284,274	
	For completion of prior year budget plans				
39.0001	Budget authority		2,592,008		
Budget authority:					
40.0001	Appropriation		2,602,800		
40.0004	Reduction pursuant to P.L. 100-463		-792		
41.0001	Transferred to other accounts(-)		-10,000		
43.0001	Appropriation (adjusted)		2,592,008		

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1990

Identification code	21-2032-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)		
		1988 actual	1989 est.	1990 est.
Program by activities:				
Direct program:				
00.0101	Other missiles			2,459,252
00.0201	Modification of missiles			138,637
00.0301	Spares and repair parts			263,914
00.0401	Support equipment and facilities			46,097
00.9101	Total direct program			2,907,900
01.0101	Reimbursable program			281,600
10.0001	Total			3,189,500
Financing:				
Offsetting collections from:				
11.0001	Federal funds(-)			-243,700
13.0001	Trust funds(-)			-37,900
21.4002	Unobligated balance available, start of year:			
	For completion of prior year budget plans			
24.4002	Unobligated balance available, end of year:			
	For completion of prior year budget plans			
40.0001	Budget authority (Appropriation)			2,907,900

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1990

Obligations

Identification code	21-2032-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles			2,002,696	206,771
00.0201	Modification of missiles			111,440	15,311
00.0301	Spares and repair parts			214,170	28,000
00.0401	Support equipment and facilities			37,379	5,078
00.9101	Total direct program			2,385,685	255,160
01.0101	Reimbursable program			281,600	
10.0001	Total			2,647,285	255,160
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)			-243,700	
13.0001	Trust funds(-)			-37,900	
21.4002	Unobligated balance available, start of year:				-542,215
	For completion of prior year budget plans				
24.4002	Unobligated balance available, end of year:			542,215	287,055
	For completion of prior year budget plans				
40.0001	Budget authority (Appropriation)			2,907,900	

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1991

Identification code	21-2032-0-1-051	Budget plan (amounts for PROCUREMENT actions programmed)		
		1988 actual	1989 est.	1990 est. 1991 est.
Program by activities:				
Direct program:				
00.0101	Other missiles			2,701,260
00.0201	Modification of missiles			140,617
00.0301	Spares and repair parts			147,770
00.0401	Support equipment and facilities			42,953
00.9101	Total direct program			3,032,600
01.0101	Reimbursable program			281,600
10.0001	Total			3,314,200
Financing:				
Offsetting collections from:				
11.0001	Federal funds(-)			-243,700
13.0001	Trust funds(-)			-37,900
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans			
40.0001	Budget authority (Appropriation)			3,032,600

Missile Procurement, Army
Program and Financing (in Thousands of dollars) FISCAL YEAR 1991

Obligations

Identification code	21-2032-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:					
Direct program:					
00.0101	Other missiles				2,203,132
00.0201	Modification of missiles				112,245
00.0301	Spares and repair parts				118,745
00.0401	Support equipment and facilities				35,064
00.9101	Total direct program				2,469,186
01.0101	Reimbursable program				281,600
10.0001	Total				2,750,786
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)				-243,700
13.0001	Trust funds(-)				-37,900
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans				563,414
40.0001	Budget authority (Appropriation)				3,032,600

MISSILE PROCUREMENT, ARMY

Section 2

Budget Activity Justification

Activity 2 - Other Missiles

Activity 3 - Modification of Missiles

Activity 4 - Spares and Repair Parts

Activity 5 - Support Equipment and Facilities

Department of the Army	Appropriation		FY 1990/91
Annual Budget Estimates	Missile Procurement, Army		Biennial Budget
JUSTIFICATION			
Program or Budget Project Account	(Thousands of Dollars)		
	Actual	Estimate	Estimate
	FY 1988	FY 1989	FY 1990
			FY 1991
Activity 2 - Other Missiles			
Direct Budget Plan	\$1,893,034	\$2,157,075	\$2,459,252
			\$2,701,260

Section 1 - PURPOSE AND SCOPE

Provides for procurement of surface-to-air, antitank assault, surface-to-surface and air-to-surface missile systems; related ground support equipment; and initial issue and replacement of losses consumed in reliability firings, crew proficiency firings, and other training activities.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

CHAPARRAL Missile System (P-1 Line Item No. 1)

(\$ in Thousands)	
FY 1990	FY 1991
\$30,787	\$25,700

\$30.8 million is requested in FY 1990 for procurement of 422 Rosette Scan Seeker (RSS) missiles to upgrade CHAPARRAL Missiles with Infrared Counter-Counter Measures capability. \$25.7 million requested in FY91 continues procurement of 454 CHAPARRAL RSS missiles. CHAPARRAL fire units and missiles have been aggressively upgraded and will remain in the active component and Army National Guard force structure. The RSS missile provides the state-of-the-art capability to remain effective on the modern battlefield.

Non Line of Sight Air Defense System (P-1 Line Item No.2)

(\$ in Thousands)	
FY 1990	
<u>\$ -</u>	
FY 1991	\$76,900

\$76.9 million is requested in FY 1991 for procurement of 12 Non Line of Sight (NLOS) fire units and 256 missiles. The NLOS component of the Forward Area Air Defense will provide defense both day/night and in adverse weather against targets masked by terrain or beyond range of line of sight weapons.

Non Line of Sight Air Defense System, Advance Procurement (P-1 Line Item No.3)

(\$ in Thousands)	
FY 1990	
<u>\$ 32,469</u>	
FY 1991	\$54,300

\$32.5 million is requested in FY 1990 and \$54.3 million is requested in FY 1991 to procure long leadtime items to support the low rate initial production of Non Line of Sight System.

Air Defense System-Heavy (P-1 Line Item No. 4)

(\$ in Thousands)	
FY 1990	
<u>\$351,571</u>	
FY 1991	\$338,082

\$351.6 million is requested in FY 1990 for the procurement of 424 Line of Sight Forward Heavy-Air Defense missiles and 18 fire units. \$338.1 million is requested in FY 1991 for the procurement of 669 missiles and 30 Line of Sight Forward Heavy fire units. Line of Sight Forward-Heavy is a component of the Forward Area Air Defense System designed to counter the line of sight fixed wing and helicopter threat to forces in Heavy Divisions (Armored and Mechanized Infantry).

Air Defense System-Heavy, Advance Procurement (P-1 Line Item No. 5)

(\$ in Thousands)	
FY 1990	
<u>\$51,600</u>	
FY 1991	\$54,800

\$51.6 million is requested in FY 1990 and \$54.8 million is requested in FY 1991 to procure long leadtime items, such as radar assemblies, electro-optical components, missile guidance controls and operation display units, for production of the Air Defense System-Heavy.

HAWK Missile System (P-1 Line Item No. 6)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$55,358</u>	<u>\$48,500</u>

\$55.4 million is requested in FY 1990 to procure 358 HAWK missiles. In FY 1991, \$48.5 million is requested for 358 HAWK missiles. This completes the USMC multiyear contract (FY 1988/FY1991) of which the Army receives the last two years of procurement.

Other Missile Support (P-1 Line Item No. 7)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$997</u>	<u>\$4,700</u>

\$1.0 million in FY 1990 and \$4.7 million in FY 1991 procures replacement HAWK rocket motors and peculiar support equipment.

PATRIOT Missile System (MYP) (P-1 Line Item No. 8)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$924,488</u>	<u>\$859,939</u>

\$924.5 million is requested in FY 1990 for 815 PATRIOT Missiles and 3 fire units for the US, and PATRIOT ground equipment (10 Radars, 10 Engagement Control Stations, and 2 Information Coordination Controls for Italy under a Cooperative Air Defense Agreement). In FY 1991 \$859.9 million is requested for procurement of 817 missiles for the US, and completes the procurement of ground equipment for Italy (10 Radars, 10 Engagement Control Stations and 2 Information Coordination Controls).

STINGER Missile System (MYP) (P-1 Line Item No. 10)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$187,545</u>	<u>\$258,800</u>

\$187.5 million is requested for the procurement of 4,754 Stinger-RMP missiles in FY 1990 and \$258.8 million for 7,203 Stinger-RMP missiles in FY 1991. The Stinger is a manportable air defense missile system that provides self-defense to forward deployed, company size combat units. The Stinger missile is also employed on the Pedestal Mounted Stinger System, a component of the Forward Area Air Defense System (FAADS). Head-to-head competition between two Stinger missile producers begins in FY 1990. Beginning in FY 1991, the Army plans to initiate a three year multiyear contract with both Stinger producers.

STINGER Advance Procurement (MYP) (P-1 Line Item No. 11)

(\$ in Thousands)	
FY 1990	-
FY 1991	\$21,300

\$21.3 million requested in FY 1991 to procure advance material in economic order quantities in support of the multiyear procurement of the STINGER Missile System.

Line of Sight-Rear Fire Unit (MYP) (Pl Line Item No. 12)

(\$ in Thousands)	
FY 1990	\$115,754
FY 1991	\$110,100

\$115.8 million is requested in FY 1990 for 122 Pedestal Mounts for the Stinger Missile System and \$110.1 million is requested in FY 1991 for 132 Pedestal Mounts. The Line of Sight-Rear (LOS-R) component of the Forward Area Air Defense System (FAADS), the Pedestal Mounted Stinger (PMS) consists of a launcher/carrier for eight ready to fire Stinger Missiles and a .50 caliber machine gun integrated with sensors and devices to provide day/night and adverse weather target detection, acquisition, tracking, target ranging, and identification friend or foe (IFF). Beginning in FY 1991, the Army plans to initiate a five year multiyear procurement of the PMS System.

Line of Sight-Rear Fire Unit Advance Procurement (MYP) (Pl Line Item No. 13)

(\$ in Thousands)	
FY 1990	\$ -
FY 1991	\$25,700

\$25.7 million is requested in FY 1991 to procure advance materials in economic order quantities in support of the multiyear procurement of the Line of Sight-Rear Fire Unit.

Laser HELLFIRE System (P-1 Line Item No. 14)

(\$ in Thousands)	
FY 1990	\$138,326
FY 1991	\$137,941

\$138.3 million is requested in FY 1990 to procure 3,102 missiles and associated equipment. \$137.9 million is requested in FY 1991 to procure 3,002 HELLFIRE missiles and associated equipment. The HELLFIRE missile system is designed to defeat the current and future armor threat at stand-off ranges. HELLFIRE is the primary armament of the AH-64 helicopter.

Advanced Antitank Weapon System-Medium (AAWS-M) (Pl Line Item No. 15)

(\$ in Thousands)	
FY 1990	\$ 0
FY 1991	\$10,870

\$10.9 million is requested in FY 1991 to procure long lead items for low rate initial production of the Advanced Antitank Weapon System-Medium (AAWS-M).

TOW Missile System (P-1 Line Item No. 16)

(\$ in Thousands)	
FY 1990	\$114,710
FY 1991	\$168,700

The FY 1990 budget request of \$114.7 million will procure 9,455 TOW-2 missiles including the initial quantities of the improved lethality TOW-2B warhead, and ground support equipment. FY 1991 request of \$168.7 million procures 13,284 TOW-2 missiles, including 3,000 missiles from the newly developed 2nd production source. The system is an upgrade of the basic TOW which was originally fielded in 1970. The TOW-2B is a further upgrade designed to defeat threat armor until the fielding of Advanced Antitank Weapons System-Heavy (AAWS-H).

Multiple Launch Rocket System (MLRS) (MYP) (P-1 Line Item No. 17)

(\$ in Thousands)	
FY 1990	\$251,374
FY 1991	\$250,070

\$251.4 million is requested to procure 24,000 rockets, 41 launchers and associated ground support equipment in FY 1990. \$250.1 million is requested to procure 24,000 rockets, 44 launchers, and associated ground support equipment in FY 1991. The MLRS is a free-flight, multiple launch rocket system with a dual purpose improved conventional munition warhead. MLRS includes a tracked, self-propelled launcher/loader, disposable launch pod container, and rockets. Its mission is to neutralize or suppress enemy field artillery and air defense systems, and supplement cannon artillery.

Multiple Launch Rocket System (MLRS) (MYP) Advance Procurement
(Pl Line Item No. 18)

(\$ in Thousands)	
FY 1990	\$63,400
FY 1991	\$66,000

\$63.4 million is requested in FY 1990 and \$66.0 million is requested in FY 1991 to procure advance materials in economic order quantities to support the multiyear procurement contract for MLRS production.

Army Tactical Missile System (ATACMS) (Pl Line Item No. 19)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$133,273</u>	<u>\$183,958</u>

\$133.3 million is requested in FY 1990 for procurement of 276 missiles and \$184.0 million is requested in FY 1991 for procurement of 452 missiles. The Army Tactical Missile System is an improved conventional semi-ballistic missile system designed to attack targets at ranges beyond the capabilities of existing cannons and rockets. ATACMS will be transported and launched from the Multiple Launch Rocket System (MLRS) launcher.

Army Tactical Missile System (ATACMS) Advance Procurement
(Pl Line Item No. 20)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$7,600</u>	<u>\$4,900</u>

\$7.6 million in FY 1990 and 4.9 million in FY 1991 is requested for the procurement of long leadtime for the Army Tactical Missile System.

Department of the Army		Appropriation		FY 1990/91	
Annual Budget Estimates		Missile Procurement, Army		Biennial Budget	
JUSTIFICATION					
Program or Budget Project Account		(Thousands of Dollars)			
		Actual	Estimate	Estimate	Estimate
		FY 1988	FY 1989	FY 1990	FY 1991
Activity 3 - Modification of					
Missiles					
Direct Budget Plan		\$139,934	\$177,472	\$138,637	\$140,617

Section 1 - PURPOSE AND SCOPE

Provides for the modification of Surface-to-Air, Surface-to-Surface, and Antitank missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

PATRIOT Modifications (P-1 Line Item No. 21)

(\$ in Thousands)	
FY 1990	FY 1991
\$19,449	\$18,400

\$19.4 million is requested in FY 1990 and \$18.4 million in FY 1991 is requested for emplacement enhancements, optical disk readers, digital link upgrades and the Modification Work Order (MWO) program.

Department of the Army Annual Budget Estimates JUSTIFICATION	Appropriation	
	Missile Procurement, Army	FY 1990/1991 Biennial Budget
Program or Budget Project Account	(Thousands of Dollars)	
Activity 4 - Spares and Repair Parts	Actual FY 1988	Estimate FY 1989
	Estimate FY 1990	Estimate FY 1991
Direct Budget Plan	\$203,570	\$224,402
	\$263,914	\$147,770

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve of repairable major assemblies and repair parts for surface-to-air, air-to-surface, surface-to-surface, and antitank missile systems and support items.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Required for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve requirements of centrally managed, high dollar value depot repairable missile system components, assemblies, and repair parts which are not carried in Army stock fund inventories.

Spares and Repair Parts(P-1 Line Item No. 31)

	(\$ in Thousands)
	FY 1990
	<u>\$263,914</u>
	FY 1991
	<u>\$147,770</u>

Initial Provisioning is requested to support the following major item procurements:

System	FY 1990	FY 1991
<u>PATRIOT</u>	<u>\$ 47.1</u>	<u>.4</u>
Pedestal	8.3	4.0
Mounted Stinger		
MLRS	21.4	8.1
TOW 2	3.0	2.6
AIR DEF SYS-IVV	26.4	.9

HAWK Modifications (P-1 Line Item No. 23)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$28,781</u>	<u>\$32,830</u>

\$28.8 million is requested in FY 1990 for the fourth year production buy of Phase III modification kits to improve the HAWK missile capabilities. The Phase III modification will improve fire power, low altitude target engagement, and training capabilities of each fire unit, as well as reduce operator and maintenance workloads. \$32.8 million is requested in FY 1991 to continue Phase III procurement.

TOW Modifications (P-1 Line Item No. 24)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$59,262</u>	<u>\$54,300</u>

\$59.3 million is requested in FY 1990 and \$54.3 million in FY 1991 to provide an increased anti-armor capability by retrofitting TOW 2 missiles to a more lethal configuration, increased performance and hardening against obscuration, electrical optical countermeasures for the TOW missile, and to modify missiles to support training requirements.

MLRS Modifications (P-1 Line Item No. 28)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$28,567</u>	<u>\$27,287</u>

\$28.6 million is requested in FY 1990 and \$27.3 million is requested in FY 1991 to fund procurement of kits to modify MLRS launchers to make them capable of launching the Deep Battle family of improved munitions (ATACMS, SADARM and MLRS-TGW).

Tractor Rig (P1 Line Item No. 29)

(\$ in Thousands)	
FY 1990	FY 1991
<u>\$2,578</u>	<u>\$7,800</u>

This is a classified program.

Department of the Army Annual Budget Estimates JUSTIFICATION	Appropriation		FY 1990/1991 Biennial Budget	
	Missile Procurement, Army			
	(Thousands of Dollars)			
Program or Budget Project Account	Actual FY 1988	Estimate FY 1989	Estimate FY 1990	Estimate FY 1991
Activity 4 - Spares and Repair Parts				
Direct Budget Plan	\$203,570	\$224,402	\$263,914	\$147,770

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve of repairable major assemblies and repair parts for surface-to-air, air-to-surface, surface-to-surface, and antitank missile systems and support items.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Required for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve requirements of centrally managed, high dollar value depot repairable missile system components, assemblies, and repair parts which are not carried in Army stock fund inventories.

Spares and Repair Parts(p-1 Line Item No. 31)

	(\$ in Thousands)
	FY 1990
	<u>\$263,914</u>
	FY 1991
	<u>\$147,770</u>

Initial Provisioning is requested to support the following major item procurements:

System	FY 1990	FY 1991
PATRIOT	<u>\$ 47.1</u>	<u>.4</u>
Pedestal	8.3	4.0
Mounted Stinger		
MLRS	21.4	8.1
TOW 2	3.0	2.6
AIR DEF SYS-IIIV	26.4	.9

<u>System</u>	<u>FY 1990</u>	<u>FY 1991</u>
HAWK MODS	\$ 5.5	1.6
PATRIOT MODS	8.9	.8
TOW MODS	2.1	
MLRS MODS	4.1	.8
	<u>126.8</u>	<u>19.2</u>

\$137.1 million is requested in FY 1990 and \$128.6 million is requested in FY 1991 for missile system peacetime replenishment repair parts.

Department of the Army Annual Budget Estimates JUSTIFICATION		Appropriation		FY 1990/1991 Biennial Budget	
		Missile Procurement, Army			
Program or Budget Project Account		(Thousands of Dollars)			
Activity 5 - Support Equipment & Facilities	Actual	Estimate	Estimate	Estimate	
	FY 1988	FY 1989	FY 1990	FY 1991	
Direct Budget Plan	\$31,735	\$33,059	\$46,097	\$42,953	

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of support equipment, miscellaneous items less than \$2.0 million and Production Base Support for Army missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Air Defense Targets (P-1 Line Item No. 32)

(\$ in Thousands)	
FY 1990	\$33,317
FY 1991	\$33,132

\$33.3 million is requested in FY 1990 and \$33.1 million in FY 1991 for procurement of air defense targets, towed targets and ground support systems. This program provides targets for training of air defense personnel.

Items Less Than \$2.0 Million (P-1 Line Item No. 33)

(\$ in Thousands)	
FY 1990	\$2,172
FY 1991	\$2,965

\$2.2 million is requested in FY 1990 and \$3.0 million in FY 1991 for procurement of tools and test sets to support missile system maintenance and repair.

Production Base Support (P-1 Line Item No. 34)

(\$ in Thousands)	
FY 1990	FY 1991
\$10,608	\$6,856

\$10.6 million is requested in FY 1990 and \$6.9 million is requested in FY 1991 for production base support for missiles and air defense. This request includes funding for new and replacement equipment at White Sands Missile Range, rehabilitation/replacement of buildings and equipment at Government Owned/Contractor Operated facilities, and the procurement of plant equipment required to support the depot maintenance mission.

MISSILE PROCUREMENT, ARMY

Section 3

Comparison of Programing Requirements and Financing

Comparison of FY 1989 program requirements as reflected in the amended FY 1988/1989 Biennial Budget with FY 1989 program requirements as shown in the FY 1990/1991 Biennial Budget.

Comparison of FY 1989 financing as reflected in the amended FY 1988/1989 Biennial Budget with FY 1989 financing as shown in the FY 1990/1991 Biennial Budget.

Comparison of FY 1988 program requirements as reflected in the amended FY 1988/1989 Biennial Budget with FY 1988 program requirements as shown in the FY 1990/1991 Biennial Budget.

Comparison of FY 1988 financing as reflected in the amended FY 1988/1989 Biennial Budget with FY 1988 financing as shown in the FY 1990/1991 Biennial Budget.

COMPARISON OF FY 1989 PROGRAM REQUIREMENTS
AS REFLECTED IN THE AMENDED FY 1988/1989 BIENNIAL BUDGET
WITH THE FY 1989 PROGRAM REQUIREMENTS AS SHOWN
IN THE FY 1990/1991 BIENNIAL BUDGET
SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation	FY 1989 Requirements Per Amended FY 1988/1989 Biennial Budget	FY 1989 Requirements Per FY 1990/1991 Biennial Budget	Increase (+) or Decrease (-)
Missile Procurement, Army			
Activity 2 - Other Missiles	2,136,267	2,157,075	+20,808
Activity 3 - Modification of Missiles	162,772	177,472	+14,700
Activity 4 - Spares and Repair Parts	254,302	224,402	-29,900
Activity 5 - Support Equipment and Facilities	33,259	33,059	-200
TOTAL	2,586,600	2,592,008	+5,408

EXPLANATION BY ACTIVITY

Activity 2 - Other Missiles - The net increase is due to Congressional changes to Chaparral (-\$1,000), Hellfire (+\$25,000), MLRS (\$15,000), ATACMS (-\$9,400) and application of a general reduction (-\$792) and an Army reprogramming sourcing inflation savings (-\$8,500).

Activity 3 - Modification of Missiles - The net increase is due a Congressional increase to TOW II (+\$15,200) and an Army reprogramming sourcing inflation savings (-\$500).

Activity 4 - Spares and Repair Parts - The decrease is due to Congressional Action (-\$29,100) and an Army reprogramming of inflation savings (-\$800)

Activity 5 - Support Equipment and Facilities - The decrease is due to an Army reprogramming of inflation savings (-\$200).

COMPARISON OF FY 1989 FINANCING AS REFLECTED
IN THE AMENDED FY 1988/1989 BIENNIAL BUDGET WITH FY 1989 FINANCING
AS SHOWN IN FY 1990/1991 BIENNIAL BUDGET

(In Thousands of Dollars)

Appropriation	FY 1989 Financing Per Amended FY 1988/1989 Biennial Budget	FY 1989 Financing Per FY 1990/1991 Biennial Budget	FY 1989 Increase (+) or Decrease (-)
Missile Procurement, Army			
Program Requirements (Total)	3,031,300	3,158,608	+127,308
Program Requirements (Service Account)	(2,586,600)	(2,592,008)	(+5,408)
Program Requirements (Reimbursable)	(444,700)	(566,600)	(+121,900)
Less:			
Anticipated reimbursements	-444,700	-566,600	-121,900
Unobligated balance available from prior year to finance new budget plans		-94,690	-94,690
Add:			
Unobligated balance transferred to other accounts		94,690	94,690

BUDGET AUTHORITY

Appropriation

	2,586,600	2,592,008	+5,408
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EXPLANATION:

Anticipated reimbursements increased \$121,900 because orders are greater than originally anticipated.

The unobligated balances available at the start of the year and unobligated balance transferred to other accounts were adjusted to reflect FY 1989 Congressional rescissions of \$75,200 from the FY 1987 program and \$3,800 from FY 1988 and reprogramming requests of \$6,290 in FY 1987 and \$9,400 in FY 1988 for which Congressional action has not been completed.

COMPARISON OF FY 1988 PROGRAM REQUIREMENTS
AS REFLECTED IN THE AMENDED FY 1988/1989 BIENNIAL BUDGET
WITH THE FY 1988 PROGRAM REQUIREMENTS AS SHOWN
IN THE FY 1990/1991 BIENNIAL BUDGET
SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

Appropriation	FY 1988 Requirements Per Amended FY 1988/1989 Biennial Budget	FY 1988 Requirements Per FY 1990/1991 Biennial Budget	FY 1988 Increase (+) or Decrease (-)
Missile Procurement, Army			
Activity 2 - Other Missiles	1,904,497	1,893,034	-11,463
Activity 3 - Modification of Missiles	134,977	139,934	+4,957
Activity 4 - Spares and Repair Parts	246,600	203,570	-43,030
Activity 5 - Support Equipment and Facilities	34,677	31,735	-2,942
TOTAL	2,320,751	2,268,273	-52,478

EXPLANATION BY ACTIVITY

Activity 2 - Other Missiles - The net change resulted from cancellation of an Operating Tempo reprogramming (+\$35,000) and approved reprogrammings for Special Programs (-\$9,400), Readiness (-\$6,010), Military Pay (-\$9,405), INF Treaty (-\$5,700) and Lance Mods (-\$5,600), and Congressional rescission (-\$3,800), in addition to various below threshold reprogrammings (-\$6,548).

Activity 3 - Modification of Missiles - The net change resulted from reprogrammings for Lance Mods (+\$5,600), INF Treaty (-\$4,900), and Military Pay (-\$3,793), in addition to below threshold reprogrammings of +\$8,050.

Activity 4 - Spares and Repair Parts - The net change is the result of cancellation of an Operating Tempo reprogramming (-\$35,000), approval of a Military Pay reprogramming (-\$6,730), and below threshold reprogrammings (-\$1,300).

Activity 5 - Support Equipment and Facilities - The decrease is due to a Military Pay reprogramming (-\$2,740) and below threshold reprogrammings (-\$202).

COMPARISON OF FY 1988 FINANCING AS REFLECTED
IN THE AMENDED FY 1988/1989 BIENNIAL BUDGET WITH FY 1989 FINANCING
AS SHOWN IN FY 1990/1991 BIENNIAL BUDGET

	(In Thousands of Dollars)			
Appropriation	FY 1988	FY 1988	FY 1988	FY 1988
Missile Procurement, Army	Financing Per	Financing Per	Financing Per	Increase (+)
	Amended	Amended	Amended	or
	FY 1988/1989	FY 1988/1989	FY 1988/1989	Biennial Budget Decrease (-)
	Biennial Budget	Biennial Budget	Biennial Budget	
Program Requirements (Total)	2,765,451	2,696,705		-68,746
Program Requirements (Service Account)	(2,320,751)	(2,268,273)		(-52,478)
Program Requirements (Reimbursable)	(444,700)	(428,432)		(-16,268)
Less:				
Anticipated reimbursements	-444,700	-428,432		+16,268
Unobligated balance available from prior year				
to finance new budget plans	-94,900	-94,900		0
Reprogramming from prior year budget plans		-119,858		119,858
Add:				
Unobligated balance transferred to other accounts	+35,700	+45,792		+10,092
Unobligated balance available to finance				
subsequent year budget plans		+94,690		+94,690
Unobligated balance lapsing		+28,276		+28,276
BUDGET AUTHORITY				
Appropriation	2,261,551	2,222,273		-39,278

EXPLANATION:

The reimbursement program (offsetting collection) decreased because orders from customers were less than anticipated. The reprogramming from/to prior year budget plans was adjusted to reflect: FY 1986 reprogrammings initiated and approved in FY 1988 (-\$19,992) and FY 1986 lapsing (-\$28,276), FY 1987 rescission in the FY 1989 Appropriation Act (-\$75,200) and denial of a portion of an FY 1987 SOF modification reprogramming (+\$3,610).

The unobligated balance transferred to other accounts resulted from new FY 1986 reprogrammings approved in FY 1988 (+\$19,992) and the FY 1987 SOF modification reprogramming (-\$9,900) carryover into FY 1989.

The unobligated balance available to finance subsequent year budget plans resulted from FY 1989 Congressional rescissions from the FY 1987 program of \$75,200 and from the FY 1988 program of \$3,800 and reprogramming requests of \$56,290 in FY 1987 and \$3,850 in FY 1988 for which Congressional action has not been completed.